

Message Text

UNCLASSIFIED

PAGE 01 MANAGU 04219 092211Z

ACTION OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-08 AGRE-00 XMB-04 CIAE-00

INR-07 NSAE-00 COME-00 /040 W

-----038599 100756Z /21

R 092116Z SEP 77

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 4295

UNCLAS MANAGUA 4219

FOR OPIC

E.O. 11652: N/A

TAGS: BEXP, EINV, NU

SUBJECT: REQUEST FOR POLITICAL RISK INVESTMENT INSURANCE BY
ALEXANDER AND BALDWIN, INC.

REF: OPIC FORM NO. 50 AND OPIC REGISTRATION NOTICE

1. THE PROPOSED PROJECT INVOLVES THE DEVELOPMENT
OF A FEEDLOT AND DAIRY OPERATIONS FOR BEEF CATTLE
AND PURE-BRED BEEF CATTLE IN NICARAGUA.

2. GANADERA SAN ANTONIO PRESENTLY OWNS A 9,630-
ACRE RANCH ON THE NORTHERN SHORE OF LAKE MANAGUA
WHERE IT IS FEASIBLE TO CULTIVATE 70 PERCENT OF THE LAND WITH
IMPROVED PASTURES AND USE THE REST FOR THE PRODUCTION
OF FEED CROPS. CURRENTLY THERE ARE APPROXIMATELY
1,000 HEAD OF CATTLE (60 PERCENT PURE-BRED) ON
THE RANCH, WHICH DERIVES MOST OF ITS PRESENT INCOME
FROM THE SELLING OF REGISTERED BRAHMAN BULLS. MODERN
AGRICULTURAL PRACTICES SUCH AS FERTILIZATION, PEST
CONTROL, ETC. HAVE BEEN NEGLECTED FOR THE PAST
SEVERAL YEARS AND NO ATTEMPT HAS BEEN MADE TO GROW
SUPPORT CROPS FOR THE CATTLE OPERATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANAGU 04219 092211Z

3. ALEXANDER & BALDWIN AGRIBUSINESS' TECHNICAL
AND FARM MANAGEMENT PERSONNEL, WHICH HAVE VISITED
THE RANCH AND HAVE CONDUCTED A PRELIMINARY
ASSESSMENT OF ITS POTENTIAL DEVELOPMENT, HAVE
CONCLUDED THAT THE RANCH IS CAPABLE OF SUBSTANTIAL
EXPANSION AND INTENSIFICATION. PRELIMINARY
PLANS ARE TO INCLUDE A 500 HEAD DAIRY OPERATION,

A 350-500 HEAD D FEEDLOT-FEEDMILL OPERATION,
A HIGHLY EXPANDED GRADE-CATTLE BEEF OPERATION,
AND THE RETENTION OF THE PURE-BRED HERD PROGRAM.
ALEXANDER AND BALDWIN AGRIBUSINESS WOULD ASSUME
COMPLETE MANAGEMENT RESPONSIBILITIES FOR THE LONG-
TERM DEVELOPMENT AND OPERATION. IT HAS TENTA-
TIVELY PURCHASED 41 PERCENT OF THE STOCK OF GANA-
DERA A SAN ANTONIO AND WILL TENTATIVELY NEGOTIATE
THE PURCHASE OF AN ADDITIONAL 9 PERCENT.

4. THE PARTIES INVOLVED IN THIS PROJECT ARE
VERY KNOWLEDGEABLE IN AGRICULTURAL AND CATTLE
OPERATION: ALEXANDER AND BALDWIN, A LEADING U.S.
FIRM IN THE AGRICULTURAL DEVELOPMENT AND MANAGE-
MENT FIELD, AND MR. ERNESTO SALAZAR, THE ONLY
ACTIVE STOCKHOLDER AND MANAGER OF GANADERA SAN
ANTONIO, A WELL-KNOWN NICARAGUAN CATTLEMAN.
MR. SALAZAR HAS BEEN INVOLVED IN THE CATTLE
BUSINESS FOR A NUMBER OF YEARS AND IS THE
FOUNDER AND PRESIDENT OF NICARAGUA'S BRAHMAN
CATTLE GROWERS ASSOCIATION.

5. EMBASSY CONSIDERS THAT THE BACKGROUND,
EXPERTISE AND DEGREE OF INVOLVEMENT OF THE
PARTIES IN THIS PROJECT ARE CONTRIBUTING
FACTORS THAT INCREASE THE FEASIBILITY AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANAGU 04219 092211Z

PERSPECTIVES OF PROFITABILITY OF THIS VENTURE.
THE DEGREE OF AGRICULTURAL-MANAGEMENT TECHNO-
LOGY WHICH ALEXANDER AND BALDWIN PLANS TO INVEST
IN THIS PROJECT COULD ALSO BE AN ADDED BENEFIT
FOR NICARAGUA WHICH HAS ALWAYS FELT THE NEED FOR
MODERN AND IMPROVED AGRICULTURAL TECHNIQUES.
RUBENSTEIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, FOREIGN INVESTMENTS, INVESTMENT GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANAGU04219
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770328-0643
Format: TEL
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770981/aaaacqrs.tel
Line Count: 101
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 654f9849-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1334509
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR POLITICAL RISK INVESTMENT INSURANCE BY ALEXANDER AND BALDWIN, INC.
TAGS: BEXP, EINV, NU, OPIC, ALEXANDER & BALDWIN INC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/654f9849-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009